



DIRECTORS' REPORT

CONSOLIDATED FINANCIAL STATEMENTS

1st Quarter 2011

Semapa – Sociedade de Investimento e Gestão, SGPS, SA. Public Limited Company

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Single Companies Registry and Corporate Person no. 502 593 130 · Share Capital 118,332,445 Euros

Directors' Report

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1 Semapa Group – Operational Overview

Business highlights compare favourably with the same period in 2010:

Turnover: 438.0 million euros ↑ 19.9%

Total EBITDA: 108.8 million euros ↑ 25.0%

EBITDA Margin: 24.8% ↑ 1.0 p.p.

Pre-tax profits: 53.4 million euros ↑ 78.2%

Net income: 32.6 million euros ↑ 77.9%

Net debt: 992.4 million euros ↑ - 57.8 million euros (vs. December 2010)

Leading Business Indicators

IFRS - accrued amounts (million euros)	Q1 2011	Q1 2010	Q1 2011/Q1 2010 (Var%)
Turnover	438.0	365.2	19.9%
Other income	11.0	12.7	-13.5%
Costs and losses	(340.2)	(290.8)	-17.0%
Total EBITDA	108.8	87.1	25.0%
Recurrent EBITDA	108.8	85.4	27.4%
Depreciation and impairment losses	(43.2)	(50.2)	14.1%
Provisions (increases and reversals)	(3.7)	6.7	-154.7%
EBIT	62.0	43.6	42.1%
Net financial profit	(8.5)	(13.6)	37.3%
Pre-tax profit	53.4	30.0	78.2%
Tax on profits	(9.2)	(3.8)	-143.9%
Retained profits for the period	44.2	26.2	68.8%
Attributable to Semapa equity holders	32.6	18.3	77.9%
Attributable to minority interests	11.6	7.9	47.4%
Cash-flow	91.0	69.7	30.7%
EBITDA margin (% Sales)	24.8%	23.8%	1.0 p.p.
EBIT margin (% Sales)	14.2%	11.9%	2.2 p.p.
	31-03-2011	31-12-2010	Mar 11 vs. Dec 10
Total net assets	3,590.7	3,569.6	0.6%
Equity (before MI)	962.9	933.4	3.2%
Net debt	992.4	1,050.2	-5.5%

Notes:

- Total EBITDA = operating profit + depreciation and impairment losses + provisions – reversal of provisions
- Cash flow = retained earnings + depreciation and impairment losses + provisions – reversal of provisions
- Net debt = non-current interest bearing debt (net of loan issue charges) + current interest-bearing debt (including debts to shareholders) – cash and cash equivalents – market value of own shares and other securities held

Segment Reporting (IFRS)

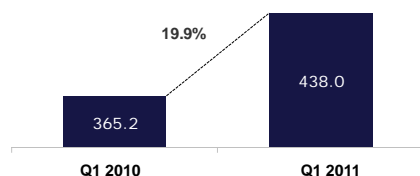
IFRS-accrued amounts (million euros)	Paper and Pulp	Cement	Environment	Holdings	Consolidated
Sales	369.2	61.5	7.2	0.0	438.0
Total EBITDA	103.8	8.0	1.8	(4.7)	108.8
Depreciation and impairment losses	(37.2)	(5.4)	(0.5)	(0.0)	(43.2)
Provisions (increases and reversals)	(3.7)	0.0	-	-	(3.7)
EBIT	62.9	2.6	1.3	(4.8)	62.0
Net financial profit	(6.2)	(1.0)	(0.1)	(1.2)	(8.5)
Pre-tax profits	56.7	1.6	1.1	(5.9)	53.4
Tax on profits	(8.0)	(0.8)	(0.5)	(0.0)	(9.2)
Retained profits for the period	48.7	0.8	0.7	(5.9)	44.2
Attributable to Semapa equity holders	37.6	0.3	0.6	(5.9)	32.6
Attributable to minority interests	11.1	0.5	0.0	-	11.6
Cash-flow	89.6	6.2	1.2	(5.9)	91.0
EBITDA margin (% Sales)	28.1%	12.9%	25.0%	-	24.8%
EBIT margin (% Sales)	17.0%	4.1%	17.7%	-	14.2%
Net total assets	2,654.5	520.5	72.4	343.2	3,590.7
Net debt	586.2	40.4	11.3	354.5	992.4

Notes:

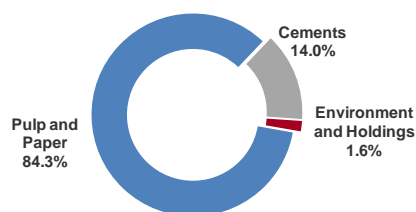
- Figures for business segment indicators may differ from those presented individually by each Group, as a result of consolidation adjustments
- The Semapa Group's 51% holding in Secil is consolidated by the proportional method

Analysis of Results

Consolidated Turnover



Contribution to Turnover Q1 2011



Consolidated turnover was up by 19.9% over the same period in the previous year, standing at 438 million euros in the first half of 2011.

The Paper and Pulp business area made a contribution to turnover in the first quarter of 2011 of 369.2 million euros, representing growth of 25.5% in relation to the 1st quarter of 2010, thanks to improved results in all the Group's business areas, in terms of both quantities sold and sale prices.

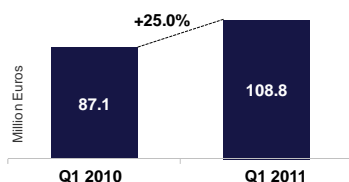
In the Cement business area, turnover in the first quarter of 2011 stood at 120.6 million euros, of which the Semapa Group appropriated 61.5 million euros. This represented a reduction of 3.5% in relation to the same period in the previous year, reflecting poorer performance in sales on the

domestic market by the cement business unit in Portugal and in operations in Angola, partially offset by growing business in Tunisia.

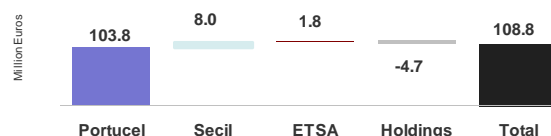
In the Environment business area, operated by the ETSA Group, despite the reduction in the number of animals slaughtered, due to the current economic climate in Portugal and Spain, turnover totalled 7.2 million euros, up by 1.4% on the first three months of 2010, due essentially to rising average sales prices in category 3 by-products.

The EBITDA margin (24.8%) improved by 1 p.p. in relation to the same period in the previous year.

Consolidated EBITDA



Contribution to EBITDA Q1 2011



EBITDA in the Paper and Pulp business area totalled 103.8 million euros, representing growth of 43.3% in relation to the same period in 2010.

The improvement in this indicator was supported by expanding business in the Portucel Group's various business areas, despite rising costs for certain factors of production over the period, in particular for chemicals and timber, in comparison with the same period in the previous year.

In the cement business area, EBITDA stood at 15.6 million euros, of which the Semapa Group appropriated 8.0 million euros, corresponding to a reduction in this indicator of approximately 43.8% in relation to the same period in 2010.

EBITDA in the environment business area totalled 1.8 million euros, down by 26.6% from the figures for the same period in 2010. Earnings were hit by a falling numbers of animal carcasses collected in the quarter in question, rising transport costs due to soaring fuel prices, an increase in specific consumption of naphtha and the respective unit cost, and by the rising cost of raw materials sourced from Spain.

Net financial income for the 1st quarter of 2011 improved by 5.1 million euros over the same period in the previous year, standing at -8.5 million euros, thanks fundamentally to operations involving interest rate derivatives and recognition of the fair value of financial assets.

Consolidated net income in the 1st quarter of 2011 was up by 77.9% in relation to the same period in 2010. This was due essentially to the following factors:

- An improvement in EBITDA of approximately 21.8 million euros;

- A reduction in depreciation of approximately 7.1 million euros, as a result of some of the Portucel Group's industrial assets being depreciated at a lower rate than that used in the 1st quarter of 2010, in the light of the review of the respective useful lives conducted in the 2nd half of 2010;
- A deterioration in provisions of 10.4 million euros, insofar as the figure in the 1st quarter of 2010 included the reversal of provisions for fiscal proceedings. In the 1st quarter of 2010, the account for provisions had presented a positive total of 6.7 million euros, whilst in the 1st quarter of the present year it presented a negative figure of 3.7 million euros.
- An improvement of 5.1 million euros in financial income in relation to the same period in 2010, due essentially to operations involving interest rate derivatives and recognition of the fair value of financial assets.

2 Paper and Paper Pulp Business Area - PORTUCEL GROUP

2.1 Leading Business Indicators

IFRS - accrued amounts (million euros)	Q1 2011	Q1 2010	Q1 2011/Q1 2010 (Var. %)
Sales	369.2	294.3	25.5%
Other income	6.1	6.8	(10.4%)
Costs and losses	(271.6)	(228.7)	(18.8%)
EBITDA	103.8	72.4	43.3%
Recurrent EBITDA	103.8	71.6	44.9%
Depreciation and impairment losses	(37.2)	(44.4)	16.3%
Provisions (increases and reversals)	(3.7)	7.0	(153.2%)
EBIT	62.9	35.0	79.8%
Net financial profit	(6.2)	(6.3)	1.2%
Pre-tax profit	56.7	28.7	97.7%
Tax on profits	(8.0)	(1.0)	(663.5%)
Retained profits for the period	48.7	27.6	76.3%
Attributable to Portucel equity holders *	48.7	27.7	76.2%
Attributable to minority interests (IM)	(0.0)	(0.0)	52.1%
Cash-Flow	89.6	65.1	37.6%
EBITDA margin (%)	28.1%	24.6%	14.2%
EBT margin (%)	17.0%	11.9%	43.3%

	31-03-2011	31-12-2010	Mar 11 vs. Dec 10
Total net assets	2,654.5	2,660.2	(0.2%)
Equity (before IM)	1,236.0	1,189.2	3.9%
Net debt	586.2	652.7	(10.2%)

* of which 77,31% is attributable to Semapa

Note: The above figures may differ from those presented individually by the Portucel Group, as a result of consolidation adjustments made by the holding company, Semapa.

2.2 Portucel Group – Overview of Operations

The Portucel Group recorded turnover in the first quarter of 2011 of 369.2 million euros, representing growth of 25.5% in relation to the 1st quarter of 2010. This growth was the result of improved results in all the Group's business areas, in terms of both quantities sold and sale prices.

Output of uncoated woodfree (UWF) printing and writing paper from the new paper mill in Setúbal has risen as planned, resulting in a significant increase in the quantities placed on the market. This growth in sales of UWF paper, combined with a recovery in sales prices – the benchmark index for the European market, PIX Copy B, published by Foex, was up by an average of 11.9% on the same period in 2010 – resulted in an increase of approximately 20.6% in the value of paper sales in relation to the first quarter of 2010.

Despite increased integration of bleached eucalyptus kraft pulp (BEKP) into production at the new UWF paper mill in Setúbal, as planned, the Group still recorded an increase in pulp sales in relation to the first quarter of the previous year, when BEKP output had been hit by difficulties in obtaining supplies of timber for the Group's plants, due to the adverse weather conditions prevailing at the time. The sale price also improved in the period, in line with an increase of approximately 15.7% in the PIX index for hardwood pulp in euros, meaning that sales of BEKP grew by 28.9% in relation to the first quarter of 2010.

The start-up of the new steam turbine for the biomass cogeneration plant in Figueira da Foz in the 3rd quarter of 2010 enabled the Group to achieve an increase in energy sales of 11.3%.

On the costs side, evolution was unfavourable in relation to the same period in 2010, due to rising costs for certain factors of production, in particular chemicals and timber.

EBITDA stood at € 103.8 million, up by 43.3% on the same period in 2010, resulting in an EBITDA / Sales margin of 28.1%. Operating income totalled € 62.9 million, representing growth of 79.8%.

The Portucel Group recorded a negative financial result of € 6.2 million, in line with a similarly negative result of € 6.3 million in the first quarter of 2010. This reflects the combined effect of a reduction in net debt and a slight increase in the average borrowing rate, together with the reclassification for accounting purposes of a foreign exchange hedge.

Net income for the period accordingly totalled € 48.7 million, representing growth of 76.2% over the first quarter of 2010.

2.3 Business Review

2.3.1 Market Background

After a period of strong demand for uncoated woodfree (UWF) paper in Europe and overseas markets in the first half of 2010, demand dropped back to normal levels in the second half of the year. At the start of 2011, the market continued to present moderately lively growth in Europe and a slight dip in quantities placed on overseas markets. In comparison with the first quarter of the previous year, apparent consumption in Europe is estimated to have rallied by 3% for cut-size and dropped back in the printing paper segment.

Deliveries by European manufacturers of UWF paper to European markets held steady in relation to the same period in 2010, whilst presenting growth of 5% for cut-size.

This performance, combined with a further net reduction in capacity in the European market, despite increased output from the new UWF mill in Setúbal, led to continued improvement in the operating indicators for the industry over the first three months of the year.

The appreciation of the Euro against the US dollar penalized manufacturers with significant exposure to sales on overseas markets, but has not yet been reflected in substantial increases in imports.

The prices of the main factors of production continued to exert pressure on manufacturers, severely undermining the sustainable profitability of certain companies in the sector.

The combination of these factors led to an increase in prices in the European market in April, which the Group anticipated and put into effect at the end of the first quarter.

In this context, as reported above, the Portucel Group achieved substantial growth in quantities of UWF paper sales in relation to the first quarter of 2010, recording overall growth of 10% in the quantities sold, once again augmenting its share of the European market.

The Group's UWF sale price in Europe evolved in line with the benchmark index, which, combined with the growth in quantities sold, resulted in a significant increase in turnover.

The Group continues to make extremely good progress in sales of premium products and mill brands, especially on the European market, which is the Group's principal market, where premium products experienced double-digit growth and accounted for more than 60% of total sales in this market. Mill brands grew by 25% in quantity and by 6 percentage points as a proportion of total cut-size sales, similarly in excess of 60%.

Listed prices in the **BEKP pulp** market held steady over the first quarter at USD 850 / ton CIF Europe.

The continued health of the pulp market was sustained essentially by the exchange rate against the USD of the currencies of the main pulp producing countries (short and long fibre), by the still relatively low level of stocks at manufacturers, users and ports and by a recovery in demand from China. Significantly, demand was strong for long fibre pulp, also from China, substituting dissolving pulp, with prices soaring and generating a degree of shortage of this type of fibre, which also helped to sustain short fibre pulp prices.

The Group's BEKP pulp sales in the 1st quarter of 2011 were slightly above the target for the period, representing an increase of 12% in relation to the same period in 2010.

The breakdown of BEKP pulp sales by paper manufacturer segments shows that the Group continues to enjoy success in focussing on segments with greater value added – special papers – where the Group recorded the vast majority of its sales.

Sales figures by destination show that nearly all sales were made on European markets, which is home to manufacturers of higher quality papers with more exacting technical requirements, where the intrinsic qualities of the *globulus* pulp manufactured by the Group offers significant gains in value.

2.3.2 Development

In relation to development opportunities in the southern hemisphere, specifically in Uruguay, Brazil and Mozambique, the current state of progress is as follows:

Uruguay

As duly disclosed, the Group has signed a memorandum of understanding with the Government of Uruguay, setting out the terms and requirements regarded as essential for an investment project in the country. The future of this agreement will depend on potential developments on the part of the State in the logistical field, and especially the construction of a deep water port. No development occurred during the first quarter.

Brazil

After the signing of a cooperation agreement with the State of Mato Grosso do Sul, the Group is pressing ahead with studies with a view to an integrated project for forestry, pulp and energy. This project has recently run into a legal obstacle, insofar as the plan to acquire 200 000 hectares of land cannot be implemented due to severe restrictions introduced in August 2010 on the purchase of rural property by foreign investors. The Group is committed to making the efforts needed to find a way around these difficulties.

Mozambique

The Group has started field work and forestry plantation trials with a view to implementing over time a vertically integrated business model involving forestry, power production and manufacture of cellulose pulp. This is another large-scale project, consisting of various stages, to be implemented over the time scale normal for undertakings of this kind.

3 Cement and Derivatives Business Area – SECIL GROUP

As mentioned above, the Semapa Group has a **51% holding in the Secil Group**, which is included in its accounts using the proportional consolidation method, on the basis of the same percentage.

In order to provide a clearer picture of the real state of affairs of Secil and its subsidiaries, it was decided **in this chapter only** to present the **100% figures for Secil** (after consolidation adjustments), rather than figures merely for the percentage held by Semapa.

3.1 Leading Business Indicators

IFRS - accrued amounts (million euros)	Q1 2011	Q1 2010	Q1 2011/Q1 2010 (Var.%)
Sales	120.6	125.1	(3.5%)
Other income	9.3	11.2	(16.8%)
Costs and losses	(114.4)	(108.6)	(5.4%)
EBITDA	15.6	27.7	(43.8%)
Recurrent EBITDA	15.6	26.2	(40.4%)
Depreciation and impairment losses	(10.6)	(10.3)	(3.0%)
Provisions (increases and reversals)	0.0	(0.4)	103.9%
EBIT	5.0	17.0	(70.6%)
Net financial profit	(2.0)	(0.9)	(107.1%)
Pre-tax profit	3.0	16.1	(81.1%)
Tax on profits	(1.6)	(4.4)	64.7%
Retained profits for the period	1.5	11.7	(87.3%)
Attributable to Secil equity holders	0.6	9.2	(93.8%)
Attributable to minority interests (IM)	0.9	2.5	(63.3%)
Cash-flow	12.1	22.4	(46.0%)
EBITDA Margin (%)	12.9%	22.2%	(41.7%)
EBIT Margin (%)	4.1%	13.6%	(69.6%)
	31-03-2011	31-12-2010	Mar 11 vs. Dec 10
Total net assets	1,020.7	977.7	4.4%
Equity (before MI)	490.7	498.2	(1.5%)
Net debt	79.1	77.7	1.8%

* of which 51% is attributable and incorporated in Semapa's consolidated financial statements

3.2 Secil Group – Overview of Operations

The construction industry and cement consumption in Portugal continue in decline in Portugal, the Secil Group's main market. Combined with rising prices for fuels and on the international commodities markets, this caused the various business units in the Secil Group to record a drop in performance.

In this context, turnover in the first quarter of 2011 stood at 120.6 million euros, of which the Semapa Group appropriated 61.5 million euros. This represented a reduction of 3.5% in relation to the same period in the previous year, reflecting poorer performance in sales on the domestic market by the cement business unit in Portugal and in operations in Angola, partially offset by growing business in Tunisia.

EBITDA stood at 15.6 million euros, of which the Semapa Group appropriated 8.0 million euros; this indicator was down by approximately 43.8% in relation to the same period in 2009. The EBITDA margin stood at 12.9% in the period, 9.2 p.p. lower than the margin recorded in the first quarter of 2010.

Net profits totalled approximately 1.5 million euros, of which Semapa appropriated 0.6 million euros.

Capital expenditure over the period stood at approximately 17.8 million euros, most of it relating to operational investments.

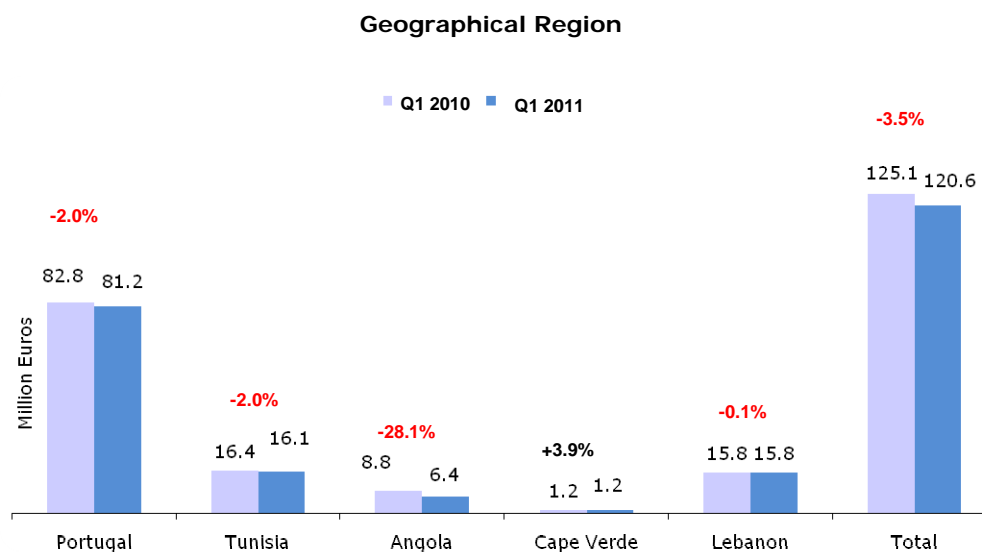
At the end of the 1st quarter of 2011, net debt stood at approximately 79.1 million euros, 1.8% up on the figure recorded at year-end 2010.

3.3 Business Review

Sales by Segment and Geographical Region

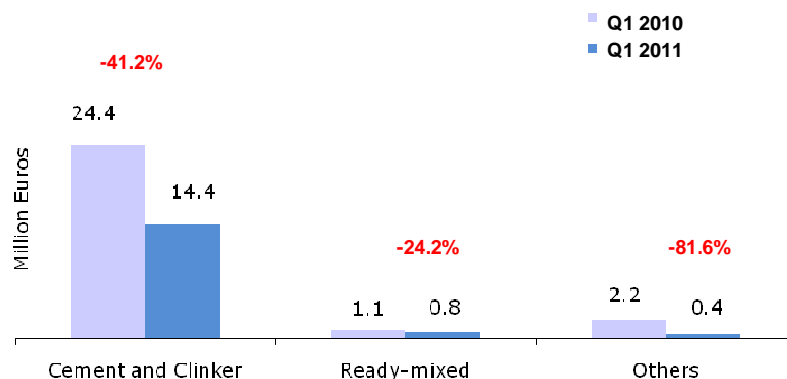


Turnover in the cement and clinker segment declined by 0.8% in relation to the first quarter of 2010, due to lower cement sales on the domestic market in Portugal and to a reduction in cement business in Angola. The ready mixed segment also shrank by 17.1%, whilst the segment comprising other business (aggregates, mortars and pre-cast) presented growth of 9.4%, explained essentially by increased turnover in aggregates and pre-cast business in Portugal.



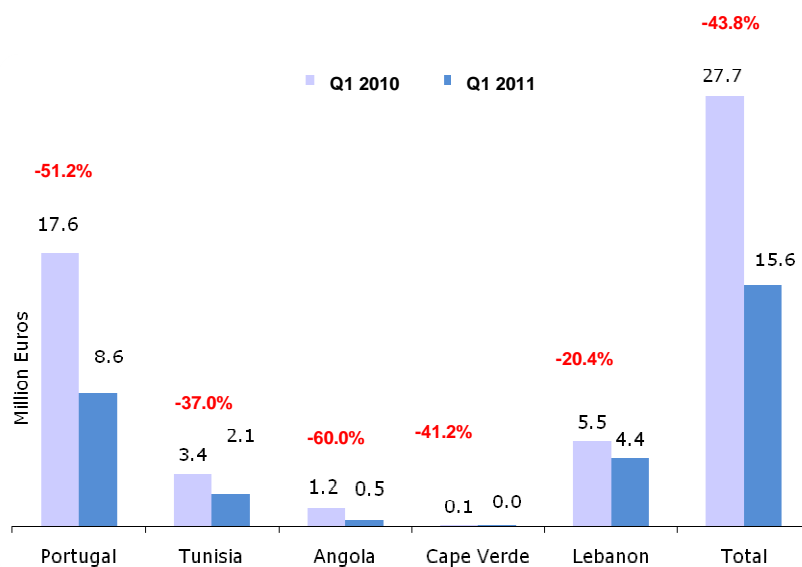
Turnover on operations outside Portugal accounted for approximately 33% of total. With the exception of Cape Verde, operations carried on in all geographical markets compare unfavourably with the same period in the previous year.

Breakdown of EBITDA by Segment and Country



The cement and clinker segment accounted for a larger proportion of total earnings than in the previous year, making a contribution of approximately 92.1% to formation of total EBITDA in the Secil Group.

Geographical Region



In terms of geographical breakdown, EBITDA was more widely dispersed than in the previous year, with operations outside Portugal accounting for approximately 45% of the Secil Group's total EBITDA.

3.3.1 Portugal

In the 1st quarter of 2011, the Portuguese economy is estimated to have shrunk by 0.2% in relation to the final quarter of 2010. According to forecasts recently published by the Bank of Portugal, Gross Domestic Product is expected to decline by 1.4% in 2011.

The construction industry continues in decline, maintaining the tendency observed in previous years. Figures for January/February point to a drop in output in the construction sector of 4.8% (Construction and public works production index – INE April 2011). Demand for cement also continued to fall, with an estimated reduction of approximately 7% in relation to the 1st quarter of 2010.

In this difficult environment, the cement business area in Portugal increased its exports of cement, offsetting a 5.5% drop in sales on the domestic market, thereby achieving growth in turnover in this business segment of 3.3% in relation to the 1st quarter of 2010, albeit with a significant reduction in the margin as described below.

In non-cement business operations based in Portugal, the Group recorded growth in turnover for aggregates and pre-cast, whilst the ready-mixed and mortar segments were directly hit by the harsh conditions in the sector, resulting in a significant slump in performance in relation to the same period in 2010.

EBITDA on cement operations based in Portugal was down by 49.9%, due to a combination of factors: i) a reduction in the average sale price per ton, due to a decrease in sales on the Portuguese market where prices are higher than for exports, and the effect of foreign exchange variations on exports; ii) an appreciable increase in production costs, due to a significant hike in power and thermal fuel prices; iii) much of the annual maintenance work was carried out on most of the production lines, front-loading the operating costs for the period. The upward effect of these factors was offset in part by containment of overheads and distribution costs on the home market.

The read-mixed business unit recorded a significant improvement in performance, thanks essentially to cuts in direct operating costs and overheads. The other business segments presented poorer performance than in 2010, due to the difficult environment described above.

3.3.2 Tunisia

Figures published by the IMF point to growth in the Tunisian economy of 1.3% in 2011, down from the rate of 3.7% recorded in 2010 (World Economic Outlook, IMF, April 2011)

Operations in Tunisia were hit by the instability caused by the popular uprising in January, resulting in occasional stoppages in production lines. Despite the ban on exports and a reduction in sales on the home market, the company continued to operate its plants and recorded a 7% increase in turnover on the domestic market. Overall, turnover for this business unit was up by 1.8%.

EBITDA was down by 31.3% in this market, due essentially to lower exports and a significant increase in the price of thermal fuels, which significantly affected the company's profit margin.

3.3.3 Lebanon

According to figures published by the IMF, the Lebanese economy is expected to grow by 2.5% in 2011, representing a slower pace than the 7.5% growth recorded in 2010 (World Economic Outlook, IMF, April 2011).

Turnover in cement operations in Lebanon grew by 1.4% over the same period in 2010, thanks to increased sales on the domestic market.

Operating performance was positive, with profits expressed in the local currency at practically the same level, despite a significant hike in the price of thermal fuels and the occurrence of a technical hitch on one of the production lines, requiring a lengthy stoppage. However, foreign exchange factors resulted in a reduction in EBITDA of 17.2%.

3.3.4 Angola

The Angolan economy is gathering speed, and information published by the IMF points to expected growth of 7.8% (World Economic Outlook, IMF, April 2011), well up from the growth rate of 1.6% recorded in 2010.

The construction business is showing signs of renewed energy after the decline recorded in the 2nd half of 2010. In the public works sector, the pace of progress on major projects underway continues fairly slow, with no significant new projects being started.

In this context, the cement business unit in Angola presented weaker performance than in the same period in 2010, with turnover standing at approximately 6.4 million euros (down by 28.1%). This reduction was due to lower sales in quantity and an appreciable drop in the average sales price, due to the presence on the market of large quantities of cement imported from China, at very low prices.

EBITDA stood at 470 thousand euros, down by 60%, due essentially to a reduction in sales in quantity combined with the drop in the average sale price.

4 Environment Business Area – ETSA GROUP

4.1 Leading Business Indicators

IFRS - accrued amounts (million euros)	Q1 2011	Q1 2010	Q1 2011/Q1 2010 (Var%)
Sales	7.2	7.1	1.4%
Other income	0.0	0.2	(84.0%)
Costs and losses	(5.4)	(4.8)	(12.1%)
EBITDA	1.8	2.4	(26.2%)
Recurrent EBITDA	1.8	2.5	(26.6%)
Depreciation and impairment losses	(0.5)	(0.5)	(3.9%)
Provisions (increases and reversals)	-	-	-
EBIT	1.3	1.9	(34.1%)
Net financial profit	(0.1)	(0.1)	(17.6%)
Pre-tax profit	1.1	1.8	(37.6%)
Tax on profits	(0.5)	(0.5)	0.8%
Retained profits for the period	0.7	1.3	(50.8%)
Attributable to ETSA equity holders	0.7	1.3	(50.1%)
Attributable to minority interests (MI)	(0.0)	0.0	(220.0%)
Cash-Flow	1.2	1.8	(35.6%)
EBITDA margin (%)	25.0%	34.4%	(27.2%)
EBIT margin (%)	17.7%	27.2%	(35.0%)

	31-03-2011	31-12-2010	Mar 11 vs. Dec 10
Total net assets	72.4	70.4	2.9%
Equity (before MI)	50.4	49.7	1.3%
Net debt	11.3	11.0	3.1%

* of which 96% is attributable to Semapa

4.2 ETSA Group – Overview of Operations

The current economic situation in Portugal and Spain continues to hamper the business of the ETSA Group, in particular due to the reduction in the number of animals slaughtered.

The ETSA Group recorded turnover for the first quarter of 2011 of **7.2 million euros**, which represents an increase of 1.4% in relation to the same period in 2010, due essentially to rising average sale prices for category 3 by-products.

Transport costs rose appreciably over the period, due to soaring fuel prices.

The cost of goods sold per ton processed also rose due to (i) an increase in the unit cost of naphtha (and an increase in consumption of naphtha per ton processed), and (ii) an increase in the cost of raw materials sourced from Spain, with a direct negative impact on EBITDA.

As a result, at 31 March 2011, consolidated EBITDA stood at approximately **1.8 million euros**, down by approximately 26.2% in relation to the same period in 2010, due fundamentally to the causes described above and to the lower number of animals slaughtered in operations during the quarter in question.

Financial charges were slightly up in the period, as a result of the repricing of borrowing terms in force.

All these factors combined meant that Net Income for this period stood at approximately **0.7 million euros**, representing a reduction of approximately 48% in relation to the same period in 2010.

At 31 March 2011, the ETSA Group's net debt stood at **11.3 million euros**, down by 1.6 million euros in relation to the net debt recorded at 31 March 2010.

5 Semapa Group – Financial Area

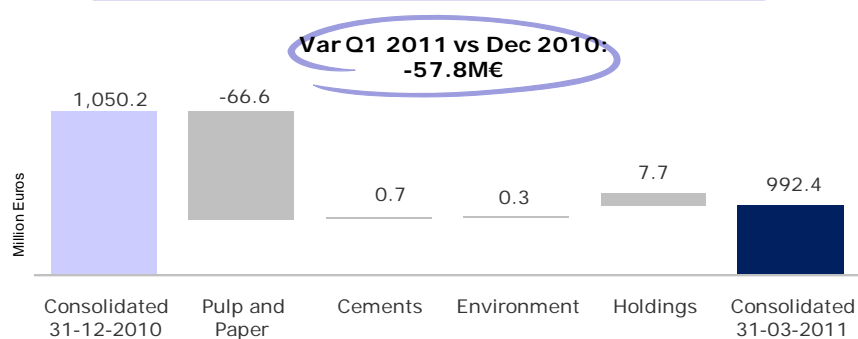
5.1 Indebtedness

At 31 March 2011, consolidated net debt stood at 992.4 million euros, representing an improvement of 57.8 million euros in relation to the figure recorded at year-end 2010, reflecting the Semapa Group's excellent capacity to generate cash flow, as well as its extremely sound financial position.

The Group's bank borrowing with maturities of less than 1 year stands at approximately 100 million euros. So with liquid assets in excess of 230 million euros (current and deposit accounts) and unused credit facilities, the Group enjoys a very comfortable level of liquidity:

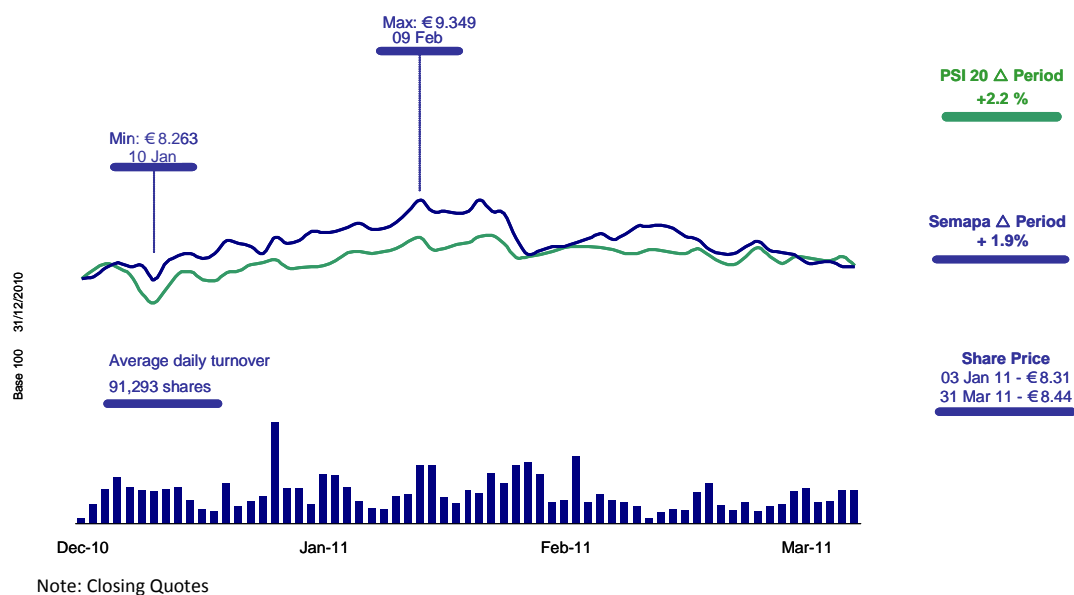
Estrutura de Endividamento Financeiro do Grupo Semapa (million euros)

	Q1 2011	Dec 2010	Var
Pulp and Paper	586.2	652.7	-66.6
Cements	40.4	39.6	+0.7
Environment	11.3	11.0	+0.3
Holdings	354.5	346.9	+7.7
Total	992.4	1,050.2	-57.8



5.2 Listed Share Price

Performance of Semapa Shares on Euronext Lisbon – First Quarter of 2011



Semapa shares performed in line with the Portuguese stock market index over the period in question, gaining by 1.9% in value, as compared with an increase of 2.2% in the PSI index.

5.3 Net Income for the first quarter of 2011

Semapa's Consolidated Net Income for the first quarter of 2011, before minority interests, stood at 44.2 million euros, of which 32.6 million euros is attributable to Semapa equity holders.

6 Outlook

The outlook for the world economy is generally favourable, sustained by vigorous growth expected in the main emerging economies and by a recovery, albeit modest, in the US and the European Union.

Nonetheless, various factors of uncertainty remain which would undermine the upward growth curve, including recent sharp price rises for foodstuffs and energy products, especially oil, in the wake of geopolitical tensions in Northern Africa and the Middle East, and the natural and nuclear disaster in Japan.

The outlook for Portugal is of course poor.

We would point out that despite the sound performance achieved by the Semapa Group in the 1st quarter of 2011 in relation to the same period in 2010, when compared with the final quarter of 2010, the Semapa Group's consolidated turnover and EBITDA were down by respectively 3.5% and 7.5%.

Paper and Pulp (Portucel Group)

In the **paper** market, demand for UWF paper in the Group's main markets is expected to grow at a moderate rate, with prices being sustained, to a large extent, by the high level of prices currently prevailing for eucalyptus cellulose pulp.

The main factors of uncertainty include continued high rates of unemployment in Europe and the US and the economic troubles currently experienced by the outlying countries of the Euro zone, which are important markets for the Portucel Group; these are both factors which could have a negative impact on consumption. In addition, the progressive appreciation of the euro against the dollar, a possible drop in the pulp price in euros, which could undermine the sustainability of paper prices, and an increase in logistical costs, caused by soaring oil prices, are factors which could have a negative effect on the Group's business.

In the **pulp** market, expectations are also moderately positive, sustained by a recovery in demand from China, appreciation on the foreign exchanges of the currencies of the main producer countries and continuing low levels of stocks at producers, users and ports, as well as strong demand for long fibre pulp - all factors which tend to push up demand and prices for short fibre pulp. In addition, expanding paper production capacity in Asia, especially in China, and the closure of obsolete plant currently underway in the country could help to sustain demand in the medium term.

The main risk factors in this scenario are the return to operation of capacity temporarily taken off the market and the evolving EUR/USD exchange rate, which could have a negative effect on the Group's business.

It should nonetheless be stressed that the Group's decision to move further along the value chain, significantly increasing its UWF paper output, integrating an increasing quantity of pulp in paper and expanding its energy output, reduces Portucel's exposure to the volatility of the pulp market.

In the **energy** sector, the completion in 2010 of the Group's investment programme in this area constitutes a firm commitment to its sustainable growth. With its new level of capacity, the Group will generate approximately 5% of all power generated in Portugal, most of it obtained from renewable resources – forestry biomass and operating by-products.

The Group is also pressing ahead with analysis of possibilities for international expansion in the southern hemisphere, so as to be able to take the relevant decisions with the necessary degree of security.

Cement (Secil Group)

The economic environment remains hostile to development of Secil's main business areas, in view of the geographical location of its principal operations.

Secil is accordingly expected to record positive performance overall, albeit falling somewhat short of the previous year's results.

In **Portugal**, which is the Group's main market, the severe economic and financial crisis currently affecting the country, and the budgetary consolidation measures which will be required in return for joint intervention by the IMF and the European Union will result in the first instance in sharp contraction of the economy. Expectations are therefore negative for the different segments in which the Secil Group operates.

In relation to **Tunisia**, which is experiencing a widespread political, social and economic crisis, the road back to normality is expected to be long and arduous. According to the latest estimates from the IMF, the Tunisian economy is expected to grow by 1.3% in 2011, down from the growth of 3.7% recorded in 2010.

The construction business, which has so far not been seriously hit by the crisis, may be expected to feel the effects from the 2nd half onwards.

In **Lebanon**, economic growth is expected to stand at 2.5%, falling short of the figure of 7.5% observed in 2010. Estimates point to cement consumption holding steady, and possibly tailing off at the end of the year.

The **Angolan** economy is picking up speed, with growth of 7.8% estimated for 2011 (well in excess of the figure of 1.6% recorded in 2010).

The construction industry is starting to show signs of renewed energy after the slump recorded in the 2nd half of 2010. In the public works sector, the pace of progress on the major projects underway remains fairly slow, and no significant new projects have been started.

Environment (ETSA Group)

The ETSA Group's business in **Portugal** is constrained by the economic performance of the country, for which no improvement is expected.

In **Spain**, a decline in business is anticipated as a result of a general reduction in consumption of animal-based products and increased competition in the markets in which the ETSA Group operates.

Lisbon, 27 April 2011

The Board of Directors

Pedro Mendonça de Queiroz Pereira
Chairman

Maria Maude Mendonça de Queiroz Pereira Lagos
Director

José Alfredo de Almeida Honório
Director

Francisco José Melo e Castro Guedes
Director

Carlos Maria Cunha Horta e Costa
Director

José Miguel Pereira Gens Paredes
Director

Paulo Miguel Garcês Ventura
Director

Rita Maria Lagos do Amaral Cabral
Director

António da Nóbrega de Sousa da Câmara
Director

Joaquim Martins Ferreira do Amaral
Director

António Pedro de Carvalho Viana-Baptista
Director

Vitor Manuel Galvão Rocha Novais Gonçalves
Director



CONSOLIDATED
FINANCIAL STATEMENTS

(Unaudited)

31 MARCH 2011

CONSOLIDATED SEPARATE INCOME STATEMENT FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2011 AND 2010

Amounts in Euro	Notes	1st Q 2011 (Unaudited)	1st Q 2010 (Unaudited)
Revenues			
Sales	4	430,070,812	355,391,624
Services rendered	4	7,910,698	9,801,718
Other income			
Gains on disposal of non-current assets	5	42,345	1,627,042
Other operating income	5	10,963,469	11,099,238
Change in fair value of biological assets		1,673,130	(951,302)
Expenses and losses			
Cost of inventories sold and consumed	6	(150,426,656)	(133,013,125)
Changes in production	6	(21,736,515)	5,493,701
Cost of materials and services consumed	6	(112,372,139)	(109,816,944)
Payroll costs	6	(46,921,401)	(43,885,712)
Other costs and losses	6	(10,374,432)	(8,670,147)
Provisions	6	(3,691,520)	6,748,633
Depreciation, amortisation and impairment losses	7	(43,151,626)	(50,212,143)
Operational results		61,986,165	43,612,583
Group share of (loss) / gains of associated companies		252,719	(4,444)
Net financial results	8	(8,796,998)	(13,625,690)
Profit before tax		53,441,886	29,982,449
Income tax	9	(9,239,199)	(3,788,506)
Net Income		44,202,687	26,193,943
Net profit for the period			
Attributable to Semapa shareholders		32,598,400	18,320,998
Attributable to non-controlling interests		11,604,287	7,872,945
Earnings per share			
Basic earnings per share, EUR	10	0.289	0.162
Diluted earnings per share, EUR	10	0.289	0.162

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF MARCH 31, 2011 AND DECEMBER 31, 2010

Amounts in Euro	Notes	31-03-2011 (Unaudited)	31-12-2010
ASSETS			
Non-Current Assets			
Goodwill		319,459,451	320,204,947
Other intangible assets		204,868,406	169,630,374
Plant, property and equipment	11	2,080,287,345	2,113,206,535
Investment properties		841,911	845,791
Biological assets		112,175,746	110,502,616
Investment in associates		3,047,543	2,039,513
Financial assets at fair value through profit or loss	12	14,076,311	13,128,488
Available-for-sale financial assets		976,414	677,180
Deferred tax assets	16	43,764,545	37,157,841
Other non-current assets		1,294,830	1,282,641
		2,780,792,502	2,768,675,926
Current Assets			
Inventories		214,764,053	226,840,348
Receivable and other current assets	13	295,493,554	272,242,644
State and other public entities		64,578,151	36,799,405
Cash and cash equivalents	18	237,909,840	265,091,311
		812,745,598	800,973,708
Total Assets		3,593,538,100	3,569,649,634
EQUITY AND LIABILITIES			
Capital and Reserves			
Share capital	14	118,332,445	118,332,445
Treasury shares		(47,164,986)	(47,164,986)
Share premiums		3,923,459	3,923,459
Currency translation reserves	15	(19,919,510)	(15,078,437)
Fair value reserves	15	(1,467,287)	(5,621,595)
Other reserves	15	858,223,718	760,984,662
Retained earnings		18,366,294	20,806,144
Retained earnings from the period		32,598,400	126,720,230
Interim dividends		-	(29,481,173)
Consolidated shareholders' equity		962,892,533	933,420,749
Non-controlling interests		313,779,061	310,520,846
Total Equity		1,276,671,594	1,243,941,595
Non-current liabilities			
Deferred taxes liabilities	16	310,977,388	313,340,341
Pensions and other post-employment benefits		127,930,951	126,382,060
Provisions	17	39,901,654	36,263,863
Interest-bearing liabilities	18	1,231,142,787	1,257,882,924
Other non-current liabilities		22,872,107	26,402,576
		1,732,824,887	1,760,271,764
Current liabilities			
Interest-bearing liabilities	18	99,998,569	150,478,637
Payables and other current liabilities	19	393,646,908	348,469,759
State and other public entities		90,396,142	66,487,879
		584,041,619	565,436,275
Total liabilities		2,316,866,506	2,325,708,039
Total equity and liabilities		3,593,538,100	3,569,649,634

STATEMENT OF COMPREHENSIVE CONSOLIDATED INCOME

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2011 AND 2010

Amounts in Euro	1st Q 2011 (Unaudited)	1st Q 2010 (Unaudited)
Retained earnings for the period excluding non-controlling interests	44,202,687	26,193,943
Fair value of financial derivatives instruments		
Fair value changes	4,963,540	(441,548)
Tax on items above when applicable	(373,501)	(273,926)
		-
Currency translation differences	(6,669,881)	5,907,537
Actuarial gains / (losses)		
Actuarial gains / (losses)	(174,036)	292,041
Tax on items above when applicable	-	(27,859)
Profit directly recognized in equity	(2,253,878)	5,456,245
Total recognized income and expense for the period	41,948,809	31,650,188
Attributable to:		
Semapa's shareholders	31,777,176	21,399,039
Non-controlling interests	10,171,633	10,251,149
	41,948,809	31,650,188

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FROM JANUARY 1, 2011 TO MARCH 31, 2011 AND FROM JANUARY 1, 2010 TO MARCH 31, 2010

	Share Capital	Treasury Shares	Share premiums	Fair value reserves	Other reserves	Currency translation reserves	Retained earnings	Net profit for the period	Total	Non-controlling interests	Total
Equity as of 1 January 2011	118,332,445	(47,164,986)	3,923,459	(5,621,595)	760,984,662	(15,078,437)	20,806,145	97,239,056	933,420,749	310,520,846	1,243,941,595
Distribution of net profit of 2010:											
- Transfer to reserves	-	-	-	-	97,239,056	-	-	(97,239,056)	-	-	-
Dividends paid by subsidiaries to non-controlling interests	-	-	-	-	-	-	-	-	-	(2,033,744)	(2,033,744)
Income and expenses recognized directly in equity *	-	-	-	4,154,308	-	(4,841,073)	(134,459)	-	(821,224)	(1,432,654)	(2,253,878)
Differences in non-controlling interests acquisitions	-	-	-	-	-	-	(2,304,147)	-	(2,304,147)	(4,879,674)	(7,183,821)
Other movements	-	-	-	-	-	-	(1,245)	-	(1,245)	-	(1,245)
Net profit for the period	-	-	-	-	-	-	-	32,598,400	32,598,400	11,604,287	44,202,687
Equity as of 31 March 2011	118,332,445	(47,164,986)	3,923,459	(1,467,287)	858,223,718	(19,919,510)	18,366,294	32,598,400	962,892,533	313,779,061	1,276,671,594

* Net of deferred taxes

	Share Capital	Treasury Shares	Share premiums	Fair value reserves	Other reserves	Translation reserves	Retained earnings	Net profit for the period	Total	Non-controlling interests	Total
Equity as of 1 January 2010	118,332,445	(47,164,986)	3,923,459	(6,220,818)	711,616,512	(17,978,700)	24,386,833	78,849,324	865,744,069	305,375,259	1,171,119,328
Distribution of net profit of 2009:											
- Transfer to reserves	-	-	-	-	78,849,324	-	-	(78,849,324)	-	-	-
Dividends paid by subsidiaries to non-controlling interests	-	-	-	-	-	-	-	-	-	(15,850,216)	(15,850,216)
Income and expenses recognized directly in equity *	-	-	-	(891,518)	-	3,778,091	190,380	-	3,076,953	2,379,292	5,456,245
Differences in non-controlling interests acquisitions	-	-	-	-	-	-	(15,838)	-	(15,838)	(63,836)	(79,674)
Other movements	-	-	-	-	-	-	2,441	-	2,441	-	2,441
Net profit for the period	-	-	-	-	-	-	-	18,320,998	18,320,998	7,872,945	26,193,943
Equity as of 31 March 2010	118,332,445	(47,164,986)	3,923,459	(7,112,336)	790,465,836	(14,200,609)	24,563,816	18,320,998	887,128,623	299,713,444	1,186,842,067

* Net of deferred taxes

CONSOLIDATED CASH FLOW STATEMENT AS OF 31 MARCH 2011 AND 2010

Amounts in Euro	31-03-2011 (Unaudited)	31-03-2010 (Unaudited)
OPERATING ACTIVITIES		
Payments from customers	460,794,641	413,457,220
Payments to suppliers	(351,344,594)	(328,680,584)
Payments to personnel	(25,351,491)	(33,635,038)
Cash flow from operations	84,098,556	51,141,598
Income tax received / (paid)	(8,743,898)	(2,869,791)
Other receipts / (payments) relating to operating activities	(4,130,163)	(12,783,601)
Cash flow from operating activities (1)	71,224,495	35,488,206
INVESTMENT ACTIVITIES		
Inflow s:		
Financial investments	-	1,466,250
Property, plant and equipment	15,635	53,520
Intangible assets	-	4,552,360
Interest and similar income	2,236,300	6,777,706
Dividends	245,310	339,788
	2,497,245	13,189,624
Outflow s:		
Financial investments	(4,534,833)	-
Property, plant and equipment	(6,719,565)	(32,619,706)
	(11,254,398)	(32,619,706)
Cash flow from investing activities (2)	(8,757,153)	(19,430,082)
FINANCING ACTIVITIES		
Inflow s:		
Obtained loans	338,487,720	615,242,434
	338,487,720	615,242,434
Outflow s:		
Payments relating to loans	(416,382,874)	(596,279,114)
Financial leases	(273,230)	(1,518,684)
Interest and similar charges	(5,593,390)	(8,482,849)
Dividends paid	(1,776,893)	(1,522,189)
Acquisition of treasury shares	(2,923,510)	-
	(426,949,897)	(607,802,836)
Cash flow from financing activities (3)	(88,462,177)	7,439,598
CHANGE IN CASH AND CASH EQUIVALENTS (1)+(2)+(3)	(25,994,835)	23,497,722
FOREIGN EXCHANGE DIFFERENCES	(1,186,636)	1,288,645
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	265,091,311	89,034,728
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	237,909,840	113,821,092

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NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

AS OF MARCH 31, 2011

(Translation of a report originally issued in Portuguese)

(In these notes, unless indicated otherwise, all amounts are expressed in euro)

The SEMAPA Group ("Group") comprises Semapa – Sociedade de Investimento e Gestão, SGPS, S.A. ("Semapa") and its subsidiaries. Semapa was incorporated on 21 June 1991 and has as its main object the management of financial investments in other companies as an indirect form of carrying out economic activity.

Head Office:

Av. Fontes Pereira de Melo, 14, Lisbon

Share Capital: Euro 118,332,445

Corporate body no.: 502 593 130

Semapa leads a diversified Group with business interests in three distinct business segments: pulp and paper, cements and derivatives, and environment, developed respectively through its subsidiaries Portucel - Empresa Produtora de Pasta e Papel, S.A, Secil - Companhia Geral de Cal e Cimento, S.A. and ETSA – Investimentos, SGPS, S.A.

These consolidated financial statements were approved by the Board of Directors on 27 April 2011.

The Group's senior management, that is the members of the Board of Directors who sign this report, declare that, to the best of their knowledge the information contained herein was prepared in conformity with the applicable accounting standards, and present a true and fair view the financial position and results of the companies included in the Group's consolidation perimeter.

1. Basis of Preparation

The Group's consolidated interim financial statements for the three months period ended March 31, 2011 were prepared in accordance with the International Accounting Standard nº 34 – Interim Financial Reporting.

These consolidated financial statements were prepared on a going concern basis, from the accounting books and records of companies included in the consolidation perimeter (Note 24), herein, and under the historic cost

convention, except for biological assets and derivative financial instruments which are recorded at fair value.

The following notes were selected in order to allow a full understanding of the most significant changes of the consolidated financial position as well as its results since the last report issued (December 31, 2010).

2. Accounting Policies

The accounting policies adopted of in the preparation these consolidated interim financial statements are consistent to those used in the preparation of the financial statements as of December 31, 2010, which are described on the notes.

3. Important Estimates and judgments

The preparation of the consolidated interim financial statements requires that Group management make judgments and estimates related to revenues, costs, assets, liabilities and disclosures at balance sheet date.

These estimates are influenced by the judgments of Group management, based on: (i) the best information and knowledge of present events and in certain cases on the reports of independent experts and (ii) the actions which the company considers it may have to take in the future. However, on the date on which the operations are realized, the outcome could be materially different from those estimates.

4. Segmental information

Segmental information is presented for identified business segments, namely Pulp and Paper, Cement and Derivatives, Environment and Holdings. Revenues, assets and liabilities per segment correspond to those directly attributed to each segment, as well as to those that can be reasonably attributed these segments.

Financial information by business segment for the three months period ended March 31, 2011 is shown as follows:

Amounts in Euro	Pulp and paper	Cement and derivatives	Environment	Holdings	Consolidated
REVENUE					
Revenue	369,235,908	61,530,435	7,189,804	25,363	437,981,510
Operational results	62,918,758	2,551,259	1,270,722	(4,754,574)	61,986,165
Net financial results	(6,461,637)	(1,019,811)	(144,651)	(1,170,899)	(8,796,998)
Group share of (loss) / gains of associated companies	232,591	20,128	-	-	252,719
Income tax	(7,967,943)	(799,134)	(471,249)	(873)	(9,239,199)
Ordinary activities results	48,721,769	752,442	654,822	(5,926,346)	44,202,687
Non-controlling interest	(11,123,376)	(460,474)	(20,437)	-	(11,604,287)
Net profit for the period	37,598,393	291,968	634,385	(5,926,346)	32,598,400
OTHER INFORMATION					
Total Segment assets	2,657,415,980	520,540,347	72,415,796	343,165,977	3,593,538,100
Investments in associates	1,504,101	1,543,442	-	-	3,047,543
Total segmental liabilities	1,421,186,619	239,149,999	22,115,972	634,413,916	2,316,866,506
Depreciation, amortisation and impairment losses	37,164,247	5,412,774	529,656	44,949	43,151,626
Provisions	3,699,505	(7,985)	-	-	3,691,520

Financial information by business segment for the three months period ended March 31, 2010 is shown as follows:

Amounts in Euro	Pulp and paper	Cement and derivatives	Environment	Holdings	Consolidated
REVENUE					
Revenue	294,279,706	63,793,035	7,091,282	29,319	365,193,342
Operational results	34,985,365	8,687,726	1,942,915	(2,003,423)	43,612,583
Net financial results	(6,307,235)	(478,197)	(123,429)	(6,716,829)	(13,625,690)
Group share of (loss) / gains of associated companies	-	(4,444)	-	-	(4,444)
Income tax	(1,043,584)	(2,262,772)	(475,130)	(7,020)	(3,788,506)
Ordinary activities results	27,634,546	5,942,313	1,344,356	(8,727,272)	26,193,943
Non-controlling interest	(6,345,521)	(1,254,307)	(273,117)	-	(7,872,945)
Net profit for the period	21,289,025	4,688,006	1,071,239	(8,727,272)	18,320,998
OTHER INFORMATION					
Total Segment assets	2,575,471,261	513,476,018	26,864,073	289,903,228	3,405,714,580
Investments in associates	130,074	1,720,912	-	-	1,850,986
Total segmental liabilities	1,427,283,354	226,160,696	18,589,948	546,838,515	2,218,872,513
Depreciation, amortisation and impairment losses	44,410,600	5,252,684	509,705	39,154	50,212,143
Provisions	(6,958,441)	204,807	-	5,001	(6,748,633)

5. Other income

As of 31 March 2011 and 2010, the caption "Other income" comprises:

Amounts in Euro	1st Q 2011	1st Q 2010
Grants - CO2 Emission allowances	7,116,385	8,742,508
Adjustment reversal	571,676	192,173
Disposals of emission allowances	264,690	153,969
Supplementary income	152,945	199,624
Gains on other non-current assets	42,345	1,627,042
Gains on inventories	1,231,018	740,968
Gains on current assets	135,869	43,723
Operating government grants	41,442	1,059
Own work capitalised	20,911	-
Other operating income	1,428,533	1,025,214
	11,005,814	12,726,280

6. Expenses and losses

As of 31 March 2011 and 2010, the caption "Expenses and losses" comprises:

Amounts in Euro	1st Q 2011	1st Q 2010
Cost of sales and service rendered		
Cost of inventories sold and consumed	(150,426,656)	(133,013,125)
Cost of materials and services consumed	(112,372,139)	(109,816,944)
Changes in production	(21,736,515)	5,493,701
Payroll costs		
Statutory bodies	(3,973,339)	(2,928,401)
Other remunerations	(30,107,672)	(26,345,486)
Pension costs	(3,078,426)	(2,808,868)
Other payroll costs	(9,761,964)	(11,802,957)
	(46,921,401)	(43,885,712)
Other costs and losses		
Own work capitalised	-	10,032
Contributions	(240,590)	(279,411)
Donations	(89,018)	(132,061)
Cost with emission allowances	(7,204,369)	(4,919,367)
Inventories and other receivables impairment	(244,618)	(305,222)
Losses on inventories	(21,274)	(319,771)
Indirect taxes	(1,365,484)	(1,760,901)
Losses on disposal of non-current assets	(6,933)	(21,404)
Other operating costs	(1,202,146)	(942,042)
	(10,374,432)	(8,670,147)
Net Provisions	(3,691,520)	6,748,633
	(345,522,663)	(283,143,594)

7. Depreciation, amortisation and impairment losses

As of 31 March 2011 and 2010, "Depreciation, amortisation and impairment losses" were detailed as follows:

Amounts in Euro	1st Q 2011	1st Q 2010
Depreciation of property, plant and equipment		
Land	(269,438)	(303,491)
Buildings	(2,545,504)	(6,902,822)
Basic equipment and other tangible assets	(40,335,181)	(42,889,725)
	(43,150,123)	(50,096,038)
Amortisation of intangible assets		
Industrial property and other rights	(1,503)	(116,105)
	(1,503)	(116,105)
	(43,151,626)	(50,212,143)

8. Net financial results

As of 31 March 2011 and 2010, "Net financial results" comprise:

Amounts in Euro	1st Q 2011	1st Q 2010
Interest paid on loans from shareholders	(206,364)	(31,389)
Interest paid on borrowings	(9,293,244)	(7,886,678)
Interest paid on loans from associates companies	15,858	-
Other interest earned	1,314,268	456,655
Compensatory interest	14,659	21,801
Fair value in available-for-sale financial assets	24,234	-
Gains / (losses) on fair value financial assets valuation	947,822	(722,173)
Gains / (losses) on financial instruments - hedging	764,333	(1,164,703)
Gains / (losses) on financial instruments - trading	560,047	(1,925,533)
Foreign exchange gains / (losses)	(3,056,320)	100,829
Other financial expenses	(546,442)	(1,914,100)
Other financial income	664,151	(560,399)
	(8,796,998)	(13,625,690)

9. Income Tax

The Groups Semapa, Portucel and Secil are subject to the special regime governing business groups comprising companies in which the shareholding is equal to or more than 90% and which meet the conditions laid down in articles 69 and following of the IRC Code.

As of 31 March 2011 and 2010, "Income tax" comprises:

Amounts in Euro	1st Q 2011	1st Q 2010
Current tax	18,921,958	11,159,001
Provision for current tax	(788,010)	(280,480)
Deferred tax	(8,894,749)	(7,090,015)
	9,239,199	3,788,506

The reconciliation of the effective tax rate in the years ended 31 March 2011 and 2010 is as follows:

Amounts in Euro	1st Q 2011	1st Q 2010
Profit before tax	53,441,886	29,982,449
Expected income tax	14,162,100	7,945,349
State Surcharge	1,467,129	-
Differences (a)	(5,537,350)	(3,539,946)
Prior year tax adjustments	358,022	(91,638)
Recoverable tax losses carried forward	(5,243)	1,161,778
Non recoverable tax losses	1,485,522	-
Impact of the change in the income tax rate	100,311	(280,480)
Provision for current tax	(788,010)	(1,118,718)
Tax benefits	(2,038,467)	96,436
Adjustments to taxable income	35,185	-
	9,239,199	3,788,506
Effective tax rate	17.29%	12.64%

(a) This amount is made up essentially of :

Effects arising from the application of the equity method	(20,128)	4,444
Capital gains / (losses) for tax purposes	33,281	778,841
Capital gains / (losses) for accounting purposes	(26,676)	(760,606)
Provisions not allowed for tax purposes	1,501,279	1,433,753
Tax benefits	(312,019)	(295,154)
Dividends received from non EU companies	1,083,248	-
Decrease in taxed provisions	(17,841,801)	(15,336,048)
Effect of pension funds	(993,420)	1,042,475
Others	(4,319,424)	(225,992)
	(20,895,660)	(13,358,287)
Tax effect (26,5%)	(5,537,350)	(3,539,946)

The annual tax returns in Portugal are subject to review and possible adjustment on the part of the tax authorities during a period of 4 years. However, where there are tax losses, these may be subject to review

and additional assessment by the tax authorities for a higher period.

In the other countries in which the Group carries on its operations, the periods differ (as a general rule, they are longer).

The Board of Directors is of the opinion that any corrections to those tax returns as a result of assessments by the tax authorities will not have a material impact on the consolidated financial statements at 31 March 2011. Additionally, the annual tax returns, namely of Portucel, Soporcel and Secil, up to 2007, were already reviewed.

10. Earnings per share

There are no convertible financial instruments over Semapa' shares, with the result that there is no dilution of earnings.

Amounts in Euro	1st Q 2011	1st Q 2010
Profit attributable to Semapa's shareholders	32,598,400	18,320,998
Weighted average number of ordinary shares in issue	112,884,470	112,884,470
Basic earnings per share, EUR	0.289	0.162
Diluted earnings per share, EUR	0.289	0.162

The weighted average number of shares is shown after deducting 2,727,975 treasury shares owned by Seminv, S.A., subsidiary owned by Semapa, SGPS, S.A. and 2,720,000 treasury shares acquired by Semapa.

11. Property, plant and equipment

The movements were registered during the three months period ended March 31, 2011 and the year ended December 31, 2010, under the caption "Property, plant and equipment", as well as on the respective amortisation and impairment losses accounts:

Amounts in Euro	Land	Buildings and other constructions	Equipments and others tangibles	Assets under construction	Total
Acquisition cost					
Amount as of 1 January 2010	187,724,197	741,362,474	3,983,083,162	188,537,448	5,100,707,281
Acquisitions	2,422,151	23,054,775	63,844,273	32,279,814	121,601,013
Disposals	(1,003,798)	(1,873,539)	(3,497,769)	-	(6,375,106)
Changes in fair value	4,851,903	11,142,048	156,793,069	(176,599,440)	(3,812,420)
Exchange differences	(89,251)	1,239,139	3,128,871	337,762	4,616,521
Amount as of 31 December 2010	193,905,202	774,924,897	4,203,351,606	44,555,584	5,216,737,289
Acquisitions	26,990	1,276,101	1,368,520	11,613,039	14,284,650
Disposals	(19,065)	-	(446,246)	(20,349)	(485,660)
Changes in fair value	-	76,002	(236,889)	166,963	6,076
Exchange differences	(1,189,979)	(1,537,006)	(6,505,461)	(409,101)	(9,641,547)
Amount as of 31 March 2011	192,723,148	774,739,994	4,197,531,530	55,906,136	5,220,900,808
Accumulated depreciations and impairment losses					
Amount as of 1 January 2010	(15,318,776)	(417,539,212)	(2,515,843,863)	-	(2,948,701,851)
Depreciations and impairment losses	(1,963,041)	(7,453,352)	(154,254,589)	-	(163,670,982)
Disposals	(6,097)	556,912	3,260,016	-	3,810,831
Adjustments, transfers and write-off's	873	1,233,449	5,590,202	-	6,824,524
Exchange differences	72,556	(519,253)	(1,346,579)	-	(1,793,276)
Amount as of 31 December 2010	(17,214,485)	(423,721,456)	(2,662,594,813)	-	(3,103,530,754)
Depreciations and impairment losses	(288,508)	(3,775,864)	(37,302,550)	-	(41,366,922)
Disposals	-	6,959	445,269	-	452,228
Adjustments, transfers and write-off's	-	92,820	112,972	-	205,792
Exchange differences	183,058	746,619	2,696,516	-	3,626,193
Amount as of 31 March 2011	(17,319,935)	(426,650,922)	(2,696,642,606)	-	(3,140,613,463)
Net book value as of 1 January 2010	172,405,421	323,823,262	1,467,239,299	188,537,448	2,152,005,430
Net book value as of 31 December 2010	176,690,717	351,203,441	1,540,756,793	44,555,584	2,113,206,535
Net book value as of 31 March 2011	175,403,213	348,089,072	1,500,888,924	55,906,136	2,080,287,345

12. Financial assets at fair value through profit or loss

The following movements were registered in this caption during the years ended 31 March 2011 and 2010:

Amounts in Euro	31-03-2011	31-12-2010
Fair value at the beginning of the year	13,128,488	14,871,574
Acquisitions	-	1,858,792
Changes in fair value	947,823	(3,601,878)
	14,076,311	13,128,488

As of 31 March 2011, "Financial assets at fair value through profit or loss" comprised:

Amounts in Euro	Fair Value	
	31-03-2011	31-12-2010
Shares of Banco Comercial Português, SA	3,533,761	3,570,570
Shares of EDP - Energias de Portugal, SA	10,539,800	9,555,168
Others	2,750	2,750
	14,076,311	13,128,488

13. Receivables and other current assets

As of March 31, 2010 and December 31, 2010, the caption "Receivables and other current assets" were detailed as follows:

Amounts in Euro	31-03-2011	31-12-2010
Accounts receivable	222,370,982	208,353,482
Accounts receivable - related parties	335,827	587,347
Derivative financial instruments	3,616,261	1,207,189
Other receivables	57,444,557	57,165,572
Accrued income	2,354,340	2,458,148
Deferred costs	9,371,587	2,470,906
	295,493,554	272,242,644

Note: Values are presented net of impairment losses

As of March 31, 2011 and December 31, 2010, "Other receivables" comprised:

Amounts in Euro	31-03-2011	31-12-2010
Other receivables		
Advance payments to suppliers	3,380,788	856,686
AICEP - Financial incentives to receive	38,199,792	38,199,792
IMT	80,521	143,270
Others	15,783,456	17,965,824
	57,444,557	57,165,572

As of March 31, 2011 and December 31, 2010, "Accrued income" and "Deferred costs", were detailed as follows:

Amounts in Euro	31-03-2011	31-12-2010
Accrued income		
Interest receivable	810,266	1,287,853
Discounts in acquisitions	116,863	118,550
Gains on financial instruments	264,690	-
Grants	67,343	86,700
Others	1,095,178	965,045
	2,354,340	2,458,148
Deferred costs		
Insurance	6,113,565	150,795
Rents and leases	324,263	197,463
Others	2,933,759	2,122,648
	9,371,587	2,470,906
	11,725,927	4,929,054

14. Share capital and treasury shares

At 31 March 2011, Semapa's share capital was fully subscribed and paid up, being represented by 118,332,445 shares with a unit nominal value of 1 Euro.

As of March 31, 2011 and December 31, 2010, the shareholders with significant stakes in the company's share capital were as follows:

Name	Nº of Shares	31-03-2011	%	31-12-2010
Longapar, SGPS, S.A.	20,869,300	17.64	17.64	
Sodim, SGPS, S.A.	18,842,424	15.92	15.92	
Cimo - Gestão de Participações, SGPS, S.A.	14,106,675	11.92	11.92	
Banco BP, SA	12,009,004	10.15	10.15	
Bestinver Gestión, SGIC, S.A.	8,823,222	7.46	7.46	
Banco Espírito Santo, SA	3,871,957	3.27	3.27	
Seminv - Investimentos, SGPS, S.A.	2,727,975	2.31	2.31	
ESAF - Espírito Santo Fundos de Investimento Mobiliário, SA	2,569,232	2.17	2.17	
Norges Bank (the Central Bank of Norway)	2,468,712	2.09	2.09	
Sonaca - SGPS, S.A.	1,630,590	1.38	1.38	
Cimigest, SGPS, SA	1,097,966	0.93	0.93	
Sociedade Agrícola da Quinta da Vialonga, S.A.	625,199	0.53	0.53	
OEM - Organização de Empresas, SGPS, S.A.	535,000	0.45	0.45	
Treasury shares	2,720,000	2.30	2.30	
Other shareholders with less than 2% participation	25,435,189	21.49	21.49	
	118,332,445	100.00	100.00	

Seminv Investimentos, SGPS, S.A. is a subsidiary of Semapa, with the result that the 2,727,975 Semapa shares held by the company are shown as treasury shares in the Group's consolidated financial statements.

Additionally, in 2007, Semapa - Sociedade de Investimento e Gestão, SGPS, S.A., acquired in the stock market, 2,720,000 treasury shares, holding from then on, directly and indirectly, 4.6% of its share capital.

15. Reserves and retained earnings

At March 31, 2011 and December 30, 2010 the captions "Fair value reserves", "Currency translation reserves" and "Other reserves" comprises:

Amounts in Euro	31-03-2011	31-12-2010
Fair value of financial instruments	(185,546)	(4,339,853)
Control acquisition revaluation	(1,281,741)	(1,281,742)
Total of fair value reserves	(1,467,287)	(5,621,595)
Currency translation reserve	(19,919,510)	(15,078,437)
Legal Reserves	23,666,489	23,666,489
Others Reserves	834,557,229	737,318,173
Total of other reservers	858,223,718	760,984,662
Total reserves	836,836,921	740,284,630

16. Deferred taxes

The movement took place in the caption Deferred tax assets and liabilities during the three months period ended March 31, 2011 were as follows:

Amounts in Euro	As of 1 January 2011	Exchange adjustment	Income Statement		Retained earnings	As of 31 March 2011
			Increases	Decreases		
Temporary differences originating deferred tax assets						
Tax losses carried forward	24,548,901	-	581	-	-	24,549,482
Taxed provisions	18,894,079	(38,990)	4,215,685	(13,647,842)	-	9,422,932
Fixed assets adjustments	52,279,176	-	34,369,769	-	-	86,648,945
Underfunding of pension fund	3,545,766	(1,563)	-	-	-	3,544,203
Derivative Financial Instruments	1,229,620	-	-	(64,018)	(532,124)	633,478
Deferred accounting gains on inter-group transactions	10,150,996	-	2,112,587	-	-	12,263,583
Valuation of biological assets	1,017,572	-	-	-	-	1,017,572
Depreciation of assets recognised under IFRIC 4	3,771,050	-	45	(3,601,003)	-	170,092
Liabilities with retirement benefits	608,837	(7,771)	10,577	-	-	611,643
Liabilities with long service award	709,385	-	40,627	-	-	750,012
Retirement benefits not covered by an autonomous fund	4,928,036	-	-	(93,868)	-	4,834,168
Derecognition of government grants	2,677,171	-	-	-	-	2,677,171
Liabilities for healthcare benefits	6,370,842	-	255,813	-	-	6,626,655
Other temporary differences	3,083,210	(104,583)	41,720	(38,719)	-	2,981,628
	133,814,641	(152,907)	41,047,404	(17,445,450)	(532,124)	156,731,564
Temporary differences originating deferred tax liabilities						
Revaluation of fixed assets	(12,193,318)	-	-	533,418	-	(11,659,900)
Retirement benefits	(993,803)	-	(11,544)	-	1,906	(1,003,441)
Derivative Financial Instruments	(1,076,338)	-	-	-	(810,951)	(1,887,289)
Fair Value of fixed assets - Soporcel	(215,642,953)	-	-	-	-	(215,642,953)
Tax Benefits	(82,938,221)	-	(21,424,550)	-	-	(104,362,771)
Extension of the useful life of the tangible fixed assets	(121,524,198)	36,283	(38,790)	15,802,713	-	(105,723,992)
Deferred accounting losses on inter-group transactions	(110,051,533)	311,532	-	16,840,469	-	(92,899,532)
Deferred tax gains	(541,150)	-	-	12,880	-	(528,270)
Harmonisation of depreciation criteria	(85,191,788)	154,521	(1,173,386)	-	-	(86,210,653)
Fair Value of intangible assets - Brands	(151,488,000)	-	-	-	-	(151,488,000)
Fair Value of tangible fixed assets - Portucel	(203,826,056)	-	-	3,817,888	-	(200,008,168)
Subsidiaries fair value	(71,061,523)	1,402,646	(25,888)	-	-	(69,684,765)
Valuation of biological assets	-	-	(7,286,926)	-	-	(7,286,926)
Other temporary differences	(33,462,200)	-	(11)	16,586	-	(33,445,625)
	(1,089,991,081)	1,904,982	(29,961,095)	37,023,954	(809,045)	(1,081,832,285)
Deferred tax assets	37,157,841	(28,177)	11,627,982	(4,852,088)	(141,013)	43,764,545
Deferred tax liabilities	(313,340,341)	476,040	(8,482,381)	10,601,236	(231,942)	(310,977,388)

During the year 2010, changes in deferred tax assets and liabilities were as follows:

Amounts in Euro	As of 1 January 2010	Exchange adjustment	Income Statement		Retained earnings	Transfers	Changes in perimeter	As of 31 December 2010
			Increases	Decreases				
Temporary differences originating deferred tax assets								
Tax losses carried forward	24,471,815	-	189,273	(112,187)	-	218,900	-	24,767,801
Taxed provisions	14,879,967	(39,889)	10,199,030	(6,145,028)	-	-	-	18,894,080
Fixed assets adjustments	36,991,010	-	15,288,166	-	-	-	-	52,279,176
Underfunding of pension fund	2,864,220	(1,703)	451,688	(70,107)	7,403	294,265	-	3,545,766
Derivative Financial Instruments	2,317,069	-	1,203,855	-	(2,291,304)	-	-	1,229,620
Deferred accounting gains on inter-group transactions	5,507,032	-	4,740,447	(96,483)	-	-	-	10,150,996
Valuation of biological assets	10,127,672	-	(121,157)	(8,988,943)	-	-	-	1,017,572
Depreciation of assets recognised under IFRIC 4	3,983,424	-	295,904	(508,278)	-	-	-	3,771,050
Liabilities with retirement benefits	597,992	5,476	17,423	-	(12,054)	-	-	608,837
Liabilities with long service award	687,966	-	21,419	-	-	-	-	709,385
Retirement benefits not covered by an autonomous fund	5,233,861	-	-	(325,643)	19,818	-	-	4,928,036
Derecognition of government grants	2,895,940	-	-	(218,769)	-	-	-	2,677,171
Liabilities for healthcare benefits	5,754,960	-	72,427	-	543,465	-	-	6,370,842
Other temporary differences	2,662,263	121,339	933,604	(647,118)	13,123	-	-	3,083,211
	118,975,191	85,223	33,292,079	(17,112,556)	(1,719,559)	513,165	-	134,033,543
Temporary differences originating deferred tax liabilities								
Revaluation of fixed assets	(16,874,592)	-	-	4,679,595	1,679	-	-	(12,193,318)
Retirement benefits	(999,965)	-	(63,747)	-	69,909	-	-	(993,803)
Derivative Financial Instruments	(1,514,536)	-	-	-	438,198	-	-	(1,076,338)
Fair Value of fixed assets - Soporcel	(232,991,369)	-	-	17,348,416	-	-	-	(215,642,953)
Tax Benefits	(89,442,118)	-	-	6,503,897	-	-	-	(82,938,221)
Extension of the useful life of the tangible fixed assets	(148,757,332)	37,505	(158,556)	27,354,185	-	-	-	(121,524,198)
Deferred accounting losses on inter-group transactions	(33,462,192)	(379,582)	(76,209,759)	-	-	-	-	(110,051,533)
Deferred tax gains	(601,752)	-	-	60,602	-	-	-	(541,150)
Harmonisation of depreciation criteria	(81,182,313)	152,683	(4,162,158)	-	-	-	-	(85,191,788)
Fair Value of intangible assets - Brands	(151,488,000)	-	-	-	-	-	-	(151,488,000)
Fair Value of tangible fixed assets - Portucel	(223,900,762)	-	-	20,074,706	-	-	-	(203,826,056)
Subsidiaries fair value	(70,988,607)	269,246	-	245,787	-	-	(587,949)	(71,061,523)
Overfunding of pension fund	(2,174,097)	-	-	836,355	1,632,007	(294,265)	-	-
Other temporary differences	(14,225)	-	(30,185,673)	-	-	(1,243,198)	-	(31,443,096)
	(1,054,391,860)	79,852	(110,779,893)	77,103,543	2,141,793	(1,537,463)	(587,949)	(1,087,971,977)
Deferred tax assets	30,904,802	5,365	11,070,667	(4,513,931)	(467,427)	158,365	-	37,157,841
Deferred tax liabilities	(280,120,078)	109,790	(45,137,524)	11,761,278	642,471	(440,471)	(155,807)	(313,340,341)

17. Provisions

During the three months period ended March 31, 2011 and the year ended December 31, 2010 changes in provisions were as follows:

Amounts in Euro	Legal claims	Environmental restoration	Others	Total
As of 1 January 2010	2,096,956	686,760	29,842,106	32,625,822
Increases	2,361	-	25,462,332	25,464,693
Reversals	(667,610)	(77,706)	(21,263,421)	(22,008,737)
Utilisations	-	(17,420)	(2,271,370)	(2,288,790)
Exchange differences	-	-	49,058	49,058
Transfers	-	2,421,817	-	2,421,817
As of 31 December 2010	1,431,707	3,013,451	31,818,705	36,263,863
Increases	100,732	-	3,837,675	3,938,407
Reversals	-	(16,425)	(230,461)	(246,886)
Utilisations	-	(9,368)	(33,027)	(42,395)
Exchange differences	-	-	(55,119)	(55,119)
Transfers	-	43,784	-	43,784
As of 31 March 2011	1,532,439	3,031,442	35,337,773	39,901,654

18. Interest-bearing liabilities

As of 31 March 2011 and 31 December 2010, Group's net debt was as follows:

Amounts in Euro	31-03-2011	31-12-2010
Interest-bearing liabilities		
Non-current	1,231,142,787	1,257,882,924
Current	99,998,569	150,478,637
	1,331,141,356	1,408,361,561
Cash and cash equivalents		
Cash	280,426	221,441
Short term bank deposits	16,251,814	13,324,273
Others	221,377,601	251,545,597
	237,909,840	265,091,311
Market Value	79,372,952	79,372,952
Interest-bearing net debt	1,013,858,564	1,063,897,298

Non-current interest-bearing liabilities

As of March 31, 2011 and December 31, 2010, non-current interest-bearing liabilities were as follows:

Amounts in Euro	31-03-2011	31-12-2010
Non-current		
Bond loans	795,400,000	795,400,000
Commercial paper	88,650,000	80,600,000
Bank Loans	347,031,553	383,318,013
Expenses with bond loans issuing	(5,042,186)	(5,797,553)
Interest-bearing bank debt	1,226,039,367	1,253,520,460
Financial leases	1,831,638	1,641,588
Other loans - POE's	28,669	28,669
Other loans - QREN	3,243,113	2,692,207
Other interest-bearing debts	5,103,420	4,362,464
Non-current interest-bearing liabilities	1,231,142,787	1,257,882,924

Current interest-bearing liabilities

As of March 31, 2011 and December 31, 2010, current interest-bearing liabilities were as follows:

Amounts in Euro	31-03-2011	31-12-2010
Current		
Loans from financial institutions	81,040,371	130,312,353
Interest-bearing bank debt	81,040,371	130,312,353
Shareholders short term loans	18,123,500	19,298,227
Financial leases	820,362	839,388
Other loans - POE	14,336	28,669
Other interest-bearing debts	18,958,198	20,166,284
Current interest-bearing liabilities	99,998,569	150,478,637

19. Payables and other current liabilities

As of March 31, 2011 and December 31, 2010 the caption "Payables and other current liabilities" showed the following breakdown:

Amounts in Euro	31-03-2011	31-12-2010
Accounts payable to suppliers	145,242,280	139,855,488
Accounts payable to associated companies	1,014,805	1,144,380
Accounts payable to suppliers of fixed assets	34,961,898	42,002,605
Accounts payable to suppliers of fixed assets - Soporgen	3,644,523	2,115,500
Environment Institute - CO2 Emission allow ances	29,160,620	21,383,272
Derivative financial instruments	6,820,021	6,834,160
Other creditors	17,442,200	15,479,272
Accrued costs	63,267,284	54,513,605
Deferred income	92,093,277	65,141,477
	393,646,908	348,469,759

As of March 31, 2011 and December 31, 2010, "Accrued costs" and "Deferred income", were detailed as follows:

Amounts in Euro	31-03-2011	31-12-2010
Accrued costs		
Insurance costs	69,361	42,115
Payroll expenses	37,208,847	29,563,088
Interests payable	8,240,498	6,439,532
Energy costs	8,426,945	8,043,267
Forest acquisitions	-	221,812
Commitments to settle the sale of paper	-	403,551
Others	9,321,633	9,800,240
	63,267,284	54,513,605
Deferred income		
Government grants	59,623,990	60,826,740
Grants - CO2 Emission allow ances	31,070,045	2,980,929
Others	1,399,242	1,333,808
	92,093,277	65,141,477

20. Derivate Financial Instruments

As of March 31, 2011 and December 31, 2010, the fair value of derivative financial instruments designated as hedging and trading instruments were as follows:

Amounts in Euro	31-03-2011				31-12-2010
	Value	Positives	Negatives	Net	Net
Hedging					
Other interest rate (SWAPs)	225,000,000	-	(6,155,273)	(6,155,273)	(5,395,648)
Foreign exchange forwards (future sales)	33,010,853	1,216,162	1,100,829	2,316,991	109,529
Swaps interest rate (SWAPs)	20,400,000	-	(633,478)	(633,478)	(262,810)
	258,010,853	1,216,162	(5,687,822)	(4,471,769)	(5,548,929)
Trading					
Operations about CO2 licenses	-	702,399	(1,132,099)	(429,700)	-
Foreign exchange forwards	41,225,648	1,697,700	-	1,697,700	(78,042)
	41,225,648	2,400,099	(1,132,099)	1,268,000	(78,042)
		3,616,261	(6,820,021)	(3,203,760)	(5,626,971)

21. Balances and transactions with related parties

As of March 31, 2011 and December 31, 2010, balances from related parties were as follows:

Amounts in Euro	Current interest-bearing liabilities	
	31-03-2011	31-12-2010
Shareholders		
Cimo SGPS, SA	3,313,540	4,600,244
Longapar, SGPS, SA	14,281,117	14,123,140
Sonaca SGPS, SA	528,843	574,843
	18,123,500	19,298,227

Amounts in Euro	31-03-2011		31-12-2010	
	Other Debtors	Other Creditors	Other Debtors	Other Creditors
Associated companies				
Colt Scar	-	11,406	-	11,634
Serbo, S.A.	-	94,737	-	94,737
J.M. Henriques, Lda.	54,189	-	54,189	-
Omentacor	-	-	-	35
Secil Unicon - S.G.P.S., Lda	104,296	154	102,805	-
Setefrete	-	-	245,310	283,576
Chryso Portugal, S.A.	-	255,586	35,946	146,801
Secil Prebetão - Pré-Fabricados de Betão, S.A.	27,906	27,954	15,961	18,148
Vroc Portugal - Indústria de Madeira e Cimento, S.A.	35,959	-	20,511	67
Iertogrande	104,141	-	104,141	-
Other related parties	9,339	624,869	8,749	589,617
Total	335,827	1,014,805	587,547	1,144,398

During the three months period ended March 31, 2011, transactions between related parties comprised:

Amounts in Euro	31-03-2011	
	Service Purchase	Financial Losses
Shareholders		
Cimigest SGPS, SA	26,935	-
Cimo SGPS, SA	-	16,521
Longapar, SGPS, SA	-	187,769
Sonaca SGPS, SA	-	2,073
	26,935	206,363

Amounts in Euro	31-03-2011			
	Service Purchase	Services rendered	Operating Income	Losses/(Gains) financial
Other related parties				
Vroc Portugal, S.A.	-	138,650	16,988	14,312
Chryso Portugal, S.A.	218,704	-	-	-
Setefrete, S.A.	307,490	-	5,346	-
Secil Prebetão, S.A.	6,890	92,746	1,139	-
Others	-	-	191	931
	533,084	231,396	23,664	15,243

22. Number of employees

As of March 31, 2011 and December 31, 2010 the average number of employees working for the various Group companies, by business segment, was as follows:

Segment	31-03-2011	31-12-2010
Pulp and Paper	2,331	2,331
Cement and derivative	2,593	2,630
Environment	194	190
Holdings	21	21
	5,139	5,172

23. Contingent assets

Municipal surcharge (RETGS) 2008 / 2009 – Euro 1,062,068

In 2008 and 2009 Portucel presented the Income Tax form with a Municipal surcharge corresponding to the sum of the individual municipal surcharge of the companies included in the special tax regime applicable to groups of companies (RETGS) in accordance with the tax authorities' understanding, Circular Letter No. 20132 as of 14 April 2008).

Nevertheless, Portucel believes this municipal surcharge should correspond to 1.5% of the Group's taxable income, as stated by the Law nº2/2007 (Local Finance Law).

Due to this, Portucel presented a tax claim in order to collect the refund of the excess amounts paid amounting to Euro 173,868 and Euro 888,200.

Following the initial rejection of the claim, Portucel appealed to the Court on 14 May 2010 and 6 January 2011.

As at 2 February 2011 the Supreme Administrative Court decided in favour of Portucel's views, in a similar case. Therefore, a successful outcome is expected for this claim.

For 2010 it is estimated that the amount payable in excess amounts to 2,579,155 Euros, which will also be subject to administrative appeal.

Investment contract – AICEP

Regarding the contracts signed with AICEP and up to 31 March 2011, a total amount of Euro 36,877,034 of tax incentives is yet to be recognised (31 December 2010: Euros 38,915,501)

Tax regime of Investment support (RFAI) 2009 and 2010

In 2009 the Group benefited from the tax regime of Investment Support established in Law No. 10/2009 of 10 March, a total amount of Euro 12,718,475 is yet to be recognized, which is estimated will be used about 7 million Euros in 2010.

24. Companies included in the consolidation

Name	Head Office	Direct and indirect % of equity held by Semapa		
		Direct	Indirect	Total
Parent - company:				
Semapa - Sociedade de Investimento e Gestão, SGPS, S.A.	Lisbon	-	-	-
Subsidiaries				
Seminv, SGPS, S.A.	Lisbon	100.00	-	100.00
Cimentospar - Participações Sociais, SGPS, Lda.	Lisbon	-	100.00	100.00
Seinpart, SGPS, S.A.	Lisbon	49.00	51.00	100.00
ETSA - Investimentos, SGPS, SA	Lisbon	96.00	-	96.00
Seinpar Investments, B.V.	Amsterdam	100.00	-	100.00
Interholding Investments B.V. (ex Semapa Investments B.V.)	Amsterdam	100.00	-	100.00
Semapa Inversiones S.L.	Madrid	100.00	-	100.00
Great Earth, SA	Lisbon	100.00	-	100.00
NSOSPE - Empreendimentos e Participações, SA	Rio de Janeiro	100.00	-	100.00

Subsidiary companies of sub-group ETSA – under full consolidation

Name	Head Office	Direct and indirect % of equity held by subsidiary ETSA			Equity % actually held by Semapa
		Direct	Indirect	Total	
Parent - company:					
ETSA - Investimentos, SGPS, SA	Stº Antão do Tojal	96.00	-	96.00	96.00
Subsidiaries					
ETSA, SGPS,S.A.	Loures	100.00	-	100.00	96.00
ABAPOR – Comércio e Industria de Carnes, S.A	Stº Antão do Tojal	100.00	-	100.00	96.00
SEBOL – Comércio e Industria de Sebo, S.A.	Stº Antão do Tojal	100.00	-	100.00	96.00
ITS – Indústria Transformadora de Subprodutos Animais, S.A.	Coruche	100.00	-	100.00	96.00
BIOLOGICAL - Gestão de Resíduos Industriais, Lda.	Stº Antão do Tojal	95.00	5.00	100.00	96.00
AISIB – Aprovechamiento Integral de Subprodutos Ibéricos, S.A.	Mérida	100.00	-	100.00	96.00
Transportes Carvajal, S.L.	Huelva	-	80.00	80.00	76.80

Subsidiary companies of sub-group Portucel – under full consolidation

Name	Head Office	Direct and indirect % of equity held by subsidiary Portucel			Equity % actually held by Semapa
		Direct	Indirect	Total	
Portucel – Empresa Produtora de Pasta e Papel, SA	Setúbal	14.42	62.88	77.31	77.31
Subsidiaries					
Soporcel - Sociedade Portuguesa de Papel, SA	Figueira da Foz	100.00	-	100.00	77.31
Soporcel Pulp - Sociedade Portuguesa de Celulose, SA *	Figueira da Foz	100.00	-	100.00	77.31
CountryTarget SGPS SA *	Setúbal	100.00	-	100.00	77.31
Sociedade de Vinhos da Herdade de Espirra - Produção e Comercialização de Vinhos, SA	Setúbal	-	100.00	100.00	77.31
Enerforest - Empresa de Biomassa para Energia, SA	Setúbal	-	100.00	100.00	77.31
Atlantic Forests, SA	Setúbal	-	100.00	100.00	77.31
Viveiros Aliança - Empresa Produtora de Plantas, SA	Palmela	-	100.00	100.00	77.31
Aflomec - Empresa de Exploração Florestal, SA	Setúbal	-	100.00	100.00	77.31
Cofotrans - Empresa de Exploração Florestal, SA	Figueira da Foz	-	100.00	100.00	77.31
Raiz - Instituto de Investigação da Floresta e Papel	Aveiro	-	94.00	94.00	72.67
PortucelSoporcel Floresta, SGPS, SA	Figueira da Foz	50.00	50.00	100.00	77.31
Portucel Florestal – Empresa de Desenvolvimento Agro-Florestal, SA	Setúbal	-	100.00	100.00	77.31
Naturfunji, ACE	Setúbal	-	50.00	50.00	38.65
PortucelSoporcel Florestal – Sociedade para o Desenvolvimento Agro-Florestal, SA	Setúbal	-	100.00	100.00	77.31
Afocelca - Agrupamento complementar de empresas para protecção contra incêndios ACE	Portugal	-	64.80	64.80	50.10
Bosques do Atlantico, SL	Spain	-	100.00	100.00	77.31
PortucelSoporcel Pulp SGPS, S.A.	Setúbal	100.00	-	100.00	77.31
EPFF - Empresa de Pasta de Figueira da Foz, S.A.	Figueira da Foz	-	100.00	100.00	77.31
CELSET - Celulose de Setúbal, S.A.	Setúbal	-	100.00	100.00	77.31
CELCA CIA - Celulose de Cacia, S.A.	Aveiro	-	100.00	100.00	77.31
Portucel International GmbH	Germany	-	100.00	100.00	77.31
PortucelSoporcel Papel, SGPS SA	Setúbal	100.00	-	100.00	77.31
Portucel Soporcel North America Inc.	USA	-	100.00	100.00	77.31
About the Future - Empresa Produtora de Papel, SA	Setúbal	0.01	99.99	100.00	77.31
Portucel Papel Setúbal, S.A.	Setúbal	-	100.00	100.00	77.31
PortucelSoporcel Sales & Marketing NV	Belgium	25.00	75.00	100.00	77.31
PortucelSoporcel Fine Paper , S.A.	Setúbal	-	100.00	100.00	77.31
PortucelSoporcel España, SA	Espanha	-	100.00	100.00	77.31
PortucelSoporcel International, BV	Netherlands	-	100.00	100.00	77.31
PortucelSoporcel France, EURL	France	-	100.00	100.00	77.31
PortucelSoporcel United Kingdom, Ltd	United Kingdom	-	100.00	100.00	77.31
PortucelSoporcel Italia, SRL	Italy	-	100.00	100.00	77.31
Soporcel 2000 - Serviços Comerciais de Papel, Soc. Unipessoal, Lda	Figueira da Foz	-	100.00	100.00	77.31
PortucelSoporcel Deutschland, GmbH	Germany	-	100.00	100.00	77.31
PortucelSoporcel Handels, GmbH	Austria	-	100.00	100.00	77.31
PortucelSoporcel Afrique du Nord	Morocco	-	100.00	100.00	77.31
PortucelSoporcel Poland SP Z O *	Poland	-	100.00	100.00	77.31
PortucelSoporcel Energia, SGPS SA	Setúbal	100.00	-	100.00	77.31
SPCG – Sociedade Portuguesa de Co-Geração Eléctrica, SA	Setúbal	-	100.00	100.00	77.31
Enerpulp – Cogeração Energética de Pasta, SA	Setúbal	-	100.00	100.00	77.31
PortucelSoporcel Cogeração de Energia, SA	Setúbal	-	100.00	100.00	77.31
PortucelSoporcel Participações, SGPS SA	Setúbal	100.00	-	100.00	77.31
Arboser – Serviços Agro-Industriais, SA	Setúbal	-	100.00	100.00	77.31
Empremédia - Corretores de Seguros, Lda	Lisbon	-	100.00	100.00	77.31
Socortel - Sociedade de Corte de Papel, SA	Figueira da Foz	-	100.00	100.00	77.31
Cutpaper - Transformação, Corte e Embalagem de Papel, ACE	Figueira da Foz	-	50.00	50.00	38.65
Headbox - Operação e Contolo Industrial, SA	Setúbal	-	100.00	100.00	77.31
EMA21 - Engenharia e Manutenção Industrial Século XXI, SA	Setúbal	-	100.00	100.00	77.31
Ena Cacia - Engenharia e Manutenção Industrial, ACE	Aveiro	-	91.15	91.15	70.47
Ena Setúbal - Engenharia e Manutenção Industrial, ACE	Setúbal	-	92.56	92.56	71.56
Ena Figueira da Foz- Engenharia e Manutenção Industrial, ACE	Figueira da Foz	-	91.47	91.47	70.71
EucaliptusLand, SA *	-	-	100.00	100.00	77.31
ImpactValue - SGPS, SA	Setúbal	100.00	-	100.00	77.31
Portucel Moçambique - Sociedade de Desenvolvimento Florestal e Industrial, Lda	Mozambique	25.00	75.00	100.00	77.31
Portucel Florestal Brasil - Gestão de Participações, Ltda	Brazil	25.00	75.00	100.00	77.31
PortucelSoporcel Papel - Sales e Marketing, ACE	Figueira da Foz	50.00	50.00	100.00	77.31
PortucelSoporcel Logística de Papel, ACE	Figueira da Foz	33.33	66.67	100.00	77.31

* created in 2011

Subsidiary companies of sub-group Secil – under proportional consolidation

Name	Head Office	Direct and indirect % of equity held by subsidiary Secil			Equity % actually held by Semapa
		Direct	Indirect	Total	
Secil - Companhia Geral de Cal e Cimento, S.A.	Setúbal	6.42	44.58	51.00	51.00
Subsidiaries					
Parcim Investments, B.V.	Amsterdam	100.00	-	100.00	51.00
Secilpar, SL	Madrid	-	100.00	100.00	51.00
Somera Trading Inc.	Panama	-	100.00	100.00	51.00
Hewbol, SGPS, Lda.	Funchal	-	100.00	100.00	51.00
Secil Cabo Verde Comércio e Serviços, Lda.	Praia	-	100.00	100.00	51.00
ICV - Inertes de Cabo Verde, Lda.	Praia	37.50	25.00	62.50	31.88
Florimar- Gestão e Participações, SGPS, Lda.	Funchal	100.00	-	100.00	51.00
Seciment Investments, B.V.	Amsterdam	100.00	-	100.00	51.00
Serife,Lda.	Lisbon	100.00	-	100.00	51.00
Silonor, S.A.	Dunkerque - France	100.00	-	100.00	51.00
Société des Ciments de Gabès	Tunis	98.72	-	98.72	50.35
Sud- Béton- Société de Fabrication de Béton du Sud	Tunis	-	98.72	98.72	50.35
Zarzis Béton	Tunis	-	98.52	98.52	50.25
Secil Angola, SARL	Luanda	100.00	-	100.00	51.00
Secil - Companhia de Cimento do Lobito, S.A.	Lobito	-	51.00	51.00	26.01
Secil, Betões e Inertes, S.G.P.S., S.A. e Subsidiárias	Setúbal	91.85	8.15	100.00	51.00
Britobetão - Central de Betão, Lda.	Évora	-	91.00	91.00	46.41
Unibetão - Indústrias de Betão Preparado, S.A.	Lisbon	-	100.00	100.00	51.00
Sicobetão - Fabricação de Betão, S.A.	Lisbon	-	100.00	100.00	51.00
Secil Britas, S.A.	Lisbon	-	100.00	100.00	51.00
Quimpedra - Secil Britas, Calcários e Derivados, Lda.	Lisbon	-	100.00	100.00	51.00
Colegra - Exploração de Pedreiras, S.A.	Lisbon	-	100.00	100.00	51.00
Secil Martingança - Aglomerantes e Novos Materiais para a Construção, Lda.	Leiria	51.19	45.81	97.00	49.47
IRP - Indústria de Rebocos de Portugal, S.A.	Santarém	-	97.00	97.00	49.47
Condind - Conservação e Desenvolvimento Industrial, Lda.	Setúbal	50.00	50.00	100.00	51.00
Ciminpart - Investimentos e Participações, SGPS, S.A.	Lisbon	-	100.00	100.00	51.00
Solenreco-Produção e Comercialização de combustíveis, Lda.	Porto	-	98.00	98.00	49.98
Argibetão - Sociedade de Novos Produtos de Argila e Betão, S.A.	Lisbon	-	90.87	90.87	46.34
Ave- Gestão Ambiental e Valorização Energética, S.A.	Lisbon	-	70.00	70.00	35.70
Cimentos Costa Verde - Comércio de Cimentos, Lda.	Lisbon	-	100.00	100.00	51.00
Valcem - Produtos Cimentícios,Lda.	Setúbal	50.00	50.00	100.00	51.00
Prescor Produção de Escórias Moidas, Lda.	Lisbon	-	100.00	100.00	51.00
CMP - Cimentos Maceira e Pataias, S.A. ("CMP")	Leiria	100.00	-	100.00	51.00
Ciments de Sibline, S.A.L.	Beirute	28.64	22.41	51.05	26.04
Soime, S.A.L.	Beirute	-	51.05	51.05	26.04
Premix Liban, S.A.L	Beirute	-	51.05	51.05	26.04
Cimentos Madeira, Lda.	Funchal	57.14	-	57.14	29.14
Beto Madeira - Betões e Britas da Madeira, S.A.	Funchal	-	57.14	57.14	29.14
Promadeira - Sociedade Técnica de Construção da Ilha da Madeira, Lda.	Funchal	-	57.14	57.14	29.14
Brimade - Sociedade de Britas da Madeira, S.A.	Funchal	-	57.14	57.14	29.14
Madebritas - Sociedade de Britas da Madeira, Lda.	Funchal	-	29.14	29.14	14.86
Pedra Regional - Transformação e Comercialização de Rochas Ornamentais, Lda. (a)	Funchal	-	29.14	29.14	14.86
Probicom - Produção de Compostos e Biomassa, S.A.	Setúbal	100.00	-	100.00	51.00
Reficomb - Refinação e comercialização de combustíveis derivados de resíduos, S.A.	Setúbal	100.00	-	100.00	51.00
Serefcom - Refinação Secagem e Comercialização de combustíveis derivados de resíduos, S.A.	Leiria	100.00	-	100.00	

BOARD OF DIRECTORS**Chairman:**

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José Miguel Pereira Gens Paredes

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Rita Maria Lagos do Amaral Cabral

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